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ABSTRACT

This report presents the conceptual framework for a public school choice plan for New York City and discusses why school choice represents the best hope for meaningful reform. Public school choice is defined as giving school professionals the freedom to design innovative and distinctive school programs; and giving parents the right to choose, in pursuit of those innovations, the public school for their child. Despite marginal improvement in student achievement and high school completion rates, only 54 percent of the city's students earn high school diplomas. Therefore, New York's school system must be reformed, because changes in the city's economy now demand high school graduation as a prerequisite for entry into the work force. Recent attempts at reform based on increased financing and improved leadership have failed. The choice plan is based on the following propositions: (1) the current organization has failed to attain basic goals; (2) school improvement is attainable and all children can learn; (3) the concept of equal opportunity is a strong reason to give parents the right to choose the school that best suits their childrens' needs; and (4) the best available evidence indicates that parental choice improves the education of all children, especially low-income and minority students, and that school autonomy is the key to meaningful school reform. A choice plan would include the following components: (1) a parent would apply for a child's admission to any public school in the city; (2) school policy would be set by each school; and (3) fluctuations in attendance would indicate parents' preferences, dictate school closings, and indicate the need for more space and programs that could be replicated at other sites. An agenda for implementation is suggested. Statistical data are included on 11 graphs. (FMW)

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Manhattan Institute

Center for Educational Innovation

Education Policy Paper Number 3

Restructuring New York City's Public Schools: The Case for Public School Choice

Prepared By Raymond J. Domanico

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Overview

The New York City public school system is in crisis. On this issue, as on perhaps no other, there is a general consensus in New York. Students are not receiving the education they need to function in today's high-tech economy. Parents who cannot afford private schools are given no alternative to failing city schools. Teachers and principals remain trapped in a bureaucratic system which fails to treat them as professionals interested in, and capable of, designing the educational programs their students need.

Chancellor Joseph Fernandez's current drive to reform tenure policy and to eliminate the Board of Examiners deserves the enthusiastic support of all those concerned about public schools. We applaud the goals of Dr. Fernandez's school-based management reforms; school autonomy is the key to school improvement. As Chancellor Fernandez has argued, education for all students will improve only when schools are freed from the endless string of bureaucratic rules and regulations that now entangles them. The school-based management approach provides much of what we seek for school professionals — the autonomy to exercise professional judgement.

However, we believe school-based management will not achieve its laudable goals until it encompasses the concept of public school choice. The only sure way to eliminate bureaucracy from public education is to substitute school accountability to parents for the current system of school accountability to the district and central offices. Public school choice is not an alternative to school-based management; it is the most effective means of instituting school-based management.

This report presents the conceptual framework for a public school choice plan for New York City and discusses why school choice represents the best hope for meaningful reform.

School Choice Defined

Although public school choice has received a great deal of publicity in recent years, not much attention has been paid to defining the term. Programs of wildly varying types (not all of them laudable) have been subsumed under the choice slogan. For the purposes of this proposal, we have defined public school choice in the following way:

> *Affording school professionals the freedom to design innovative and distinctive school programs; and giving parents the right to choose, in pursuit of those innovations, the public school that their child will attend.*

In support of this concept of schooling, the system must dedicate its resources to providing parents with the information necessary to make informed judgements about schools.

The Rationale for Choice as the Preferred Reform Initiative

Our proposal to make public school choice the conceptual framework for educational reform in New York City is grounded in the following propositions:

1. The current organization and structure of the school system has failed, over a long period of time, to attain its most basic goals.

2. School improvement is a realistic goal; all children can learn.

3. There is no convincing reason to give a failing institution, the New York City public school system, control over the school placement of individual students. On the other hand, there is a strong rationale, grounded in the concept of equal opportunity, for granting parents the right to choose the school that is best suited to their children's needs.

4. Public school choice combines parental choice of public school, an instrument of accountability, with school based management, the most promising supply-side educational reform.

5. The available evidence shows public school choice can and does work to improve the outcomes of schooling for all students, especially low-income and minority students.

This report is organized into five sections. Section I gives an overview of the current state of the school system and compares education quality to the needs of the local economy. Section II discusses the shortcomings of other reform proposals. Section III explains why choice can improve schools when other proposals have failed. Section IV presents a vision of how school choice would function in New York City. The fifth and final section offers a concise set of recommendations to the Chancellor and the city of New York.

About the Author

Raymond Domanico is the Director of the Center for Educational Innovation. He served as a policy analyst with the New York City Board of Education for nine years including positions as Assistant Director for Policy Analyses at the Office of Educational Evaluation from 1982-84 and Adminstrator of Data Analysis from 1984-88. He holds a Master's Degree in Public Policy from the University of California at Berkeley.

About the Center for Educational Innovation

The goal of the Center is to improve the educational system in America by challenging conventional methods and encouraging new approaches. It seeks to accomplish this through a program of research, discussion, and dissemination directed at a broad public audience.

Note: Nothing written here is to be construed as necessarily reflecting the views of the Manhattan Institute or as an attempt to aid or hinder the passage of any legislation.

I. A SYSTEM IN CRISIS:
The State of New York City's Public School System

The Increasing Importance of Educational Quality to New York City

Over the last four years, few institutions within New York City have come under as intense public scrutiny as the public school system. The Department of Education report, *A Nation At Risk*, alerted Americans to the fact that American public schools are far inferior to those of our competitor nations. Critics of New York City public schools point out that the education our children receive is weak even by national standards. Compared to our competitor nations or even our competitor states, New York City's schoolchildren are not receiving the education they need to function in the demanding high-tech economy of the nineties and beyond. The consequences, for both individuals and for New York's economy, are enormous. In recent years, the city's economy has changed dramatically, requiring a workforce that is *better* educated than the national average.

Economic expansion, combined with the smaller age cohorts now entering the workforce, creates unprecedented opportunities for well-educated workers. The poorly educated, however, will find only a rapidly shrinking pool of dead-end jobs. The school system's inability to adequately educate the average student has contributed to a growing labor shortage in New York City, slowing the city's economic growth and stranding large segments of the city's population in poverty.

Over the last thirty years, the city's manufacturing base steadily eroded while employment in the service and financial sectors (which require educated workers) increased dramatically. In 1969, the manufacturing, construction and transportation/communications/utilities sectors of the city's economy provided 35 percent of all jobs. By 1988, these sectors' share of the local labor market dropped to less than 20 percent. At the same time, employment in the service and financial sectors increased from 33 percent of all jobs in 1969 to 46 percent in 1988. These data are displayed in Figures 1 and 2.

Over 450,000 jobs have been lost in the city's manufacturing sector since 1969, while employment in the service sector has increased by over 340,000 jobs. The transportation/utilities industries have lost over 100,000 jobs since 1969, while the financial, insurance and real estate industries have gained approximately 80,000 jobs. These data are displayed in Figure 3.[1]

As a result of the small birth cohorts in the late 1960s and early 1970s, fewer young adults are entering the labor force. However, the changing composition of New York City's labor market has also made literacy, a strong grounding in mathematics, and a high school diploma, the absolute minimum requirements for entry level positions. Undereducated workers face severely restricted opportunities to earn a living through manual labor.

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[1] All employment data are taken from *The Regional Economy: Review 1988, Outlook 1989*. The Port Authority of New York and New Jersey.

FIGURE 1
Employment in New York City - 1969
Total Employment = 3,769,200

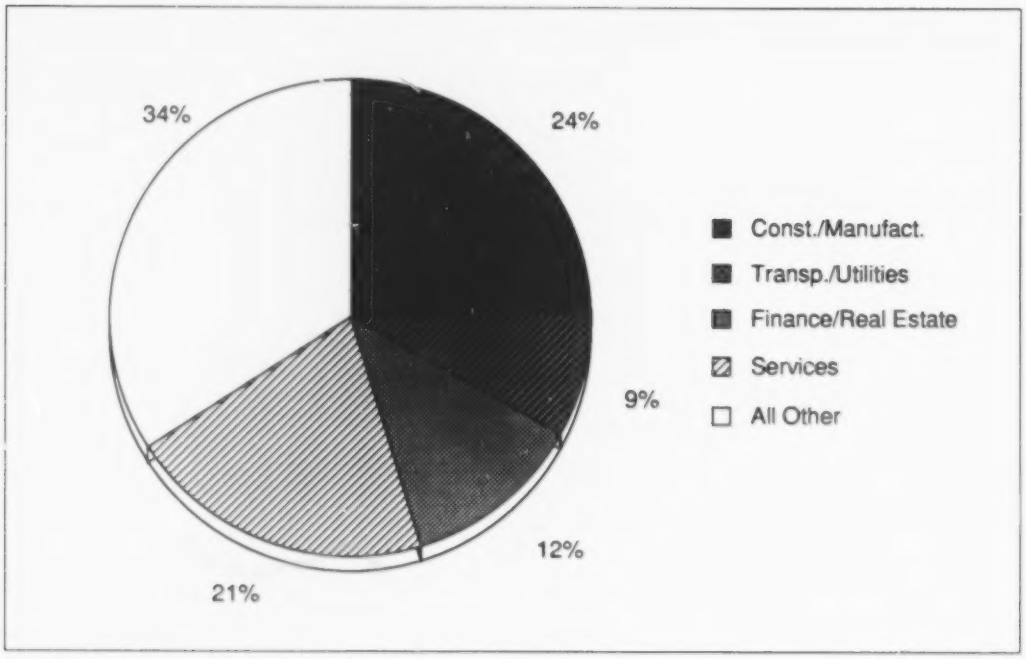


FIGURE 2:
Employment in New York City - 1988
Total Employment = 3,605,700

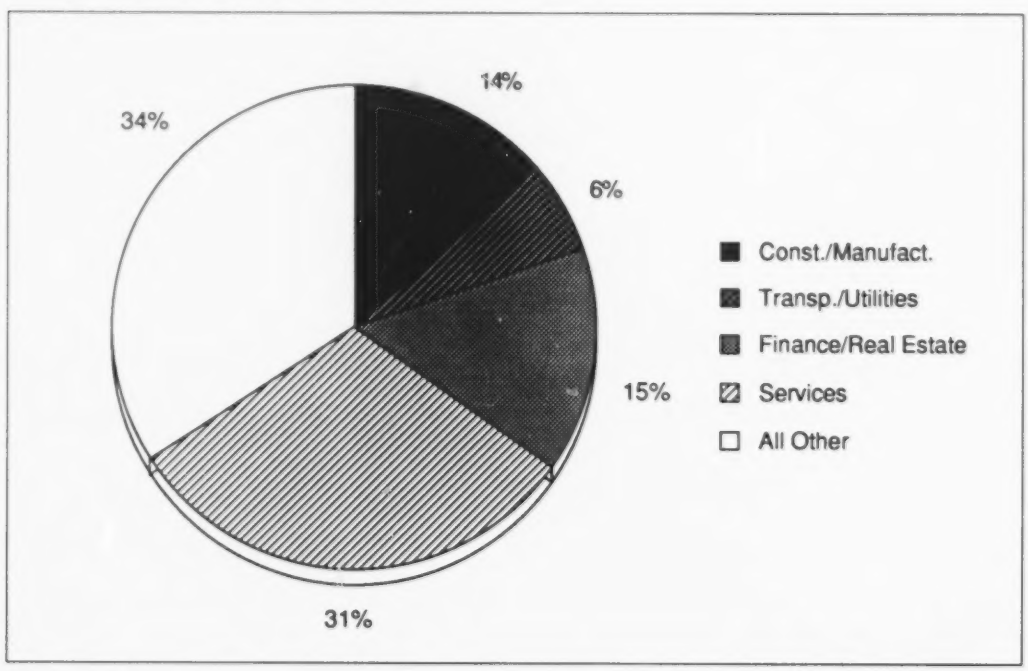
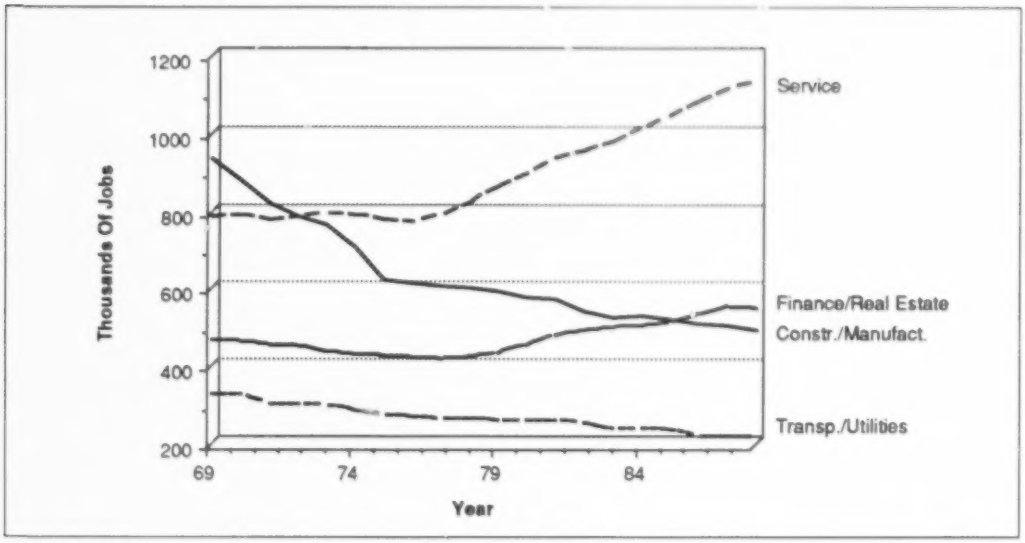


FIGURE 3
Trends in Employment in New York City: 1969 - 1988



School Completion

The single statistic that best defines the current state of public education in New York City is this: *Only 54 percent of the students who entered New York's high schools in 1982 successfully completed their secondary schooling within six years.* Ten percent of these school completers earned a G.E.D. (General Equivalency Diploma) rather than a formal high school diploma. Thus, only half of New York City public school students ever earn a high school diploma.

Preliminary data on the students who entered high school in 1985 and 1986 (the most recent data available) show little or no improvement in recent classes.[2] At 54 percent, New York City's school completion rate is far below the national average of 75 percent for 18 and 19 year olds, and 84 percent for all 20-24 year olds.[3] Figure 4 displays this comparison.

The average statistics for New York City mask the depth of the problem in some of New York's worst schools. In twelve neighborhood high schools, the school completion rate is less than 40 percent. Few schools in New York approach excellence; only eight high schools have graduation rates in excess of 80 percent, and only the city's two elite science high schools, Stuyvesant and Bronx Science have graduation rates above 90 percent. In the class of 1988, only 11,600 students, less than 40 percent of graduates (or about one-fifth of all students), earned a Regents-Endorsed diploma, which is awarded to high school students who take a state-specified sequence of academic courses.[4]

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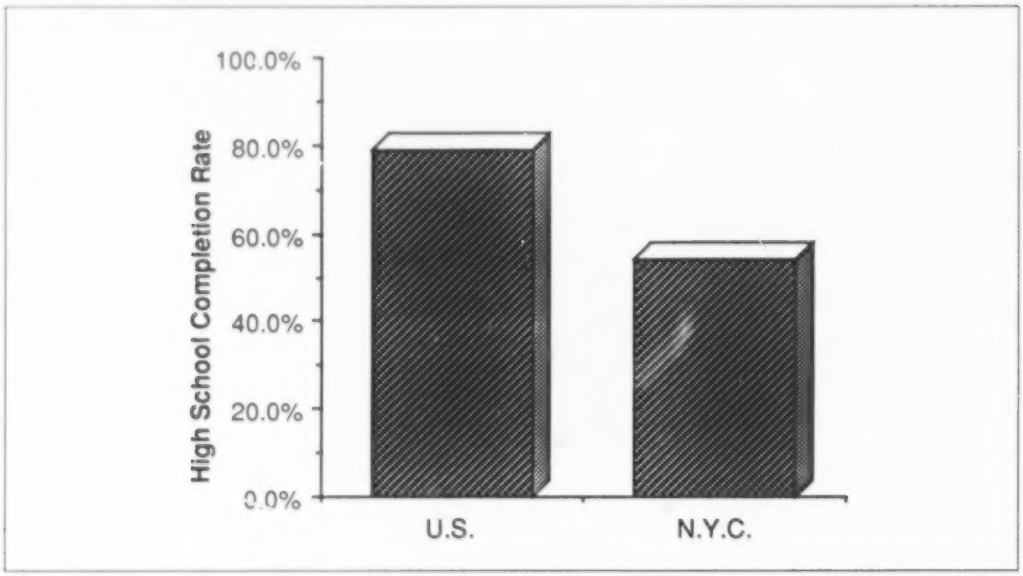
[2] New York City Board of Education, Office of Research Evaluation and Assessment, "The Cohort Report: Four Year Results for the Class of 1988 and Follow-Ups of the Classes of 1986 and 1987." (New York: April 1989).

[3] National Center for Education Statistics, *The Condition of Education* (Washington, D.C.: U.S. Department of Education, 1988), p. 28.

[4] The Mayor's Management Report, (New York City: Office of Operations, February 1989) p. 377.

FIGURE 4
Rate of High School Completion
New York City Public Schools Compared to Nation



Test Scores

School completion rates do not tell the whole story about the failing of New York's public school system. Even a high school diploma does not guarantee that a student has obtained an adequate education. Major employers in New York City voice widespread dissatisfaction with the academic preparation of the city's high school graduates. The available data on student performance validates their concern.

New York City's public school students' combined verbal and mathematic SAT scores remain about 100 points lower than either the national or the state average. In 1987, students from the city's public schools had average verbal scores of 377 and math scores of 426.[5] The national averages are 430 in verbal skills and 476 in mathematics and the state average is 425 verbal and 469 math.[6] These data are displayed in Figure 5.

New York City's average SAT scores, low as they are, overstate the achievement of the city's students. The population of SAT test takers is not representative of the entire student population; only those students who stay in school as far as the eleventh grade and have some interest in attending college take the SAT test. Given the unusually high attrition rate in New York's schools, SAT scores almost certainly paint a rosier picture of the average student's academic achievement than is warranted.

The school system's own data on student achievement in reading can be used to measure performance trends in the school system. These test scores have been the subject of controversy in New York, due to confusion over the meaning of the term "grade level."

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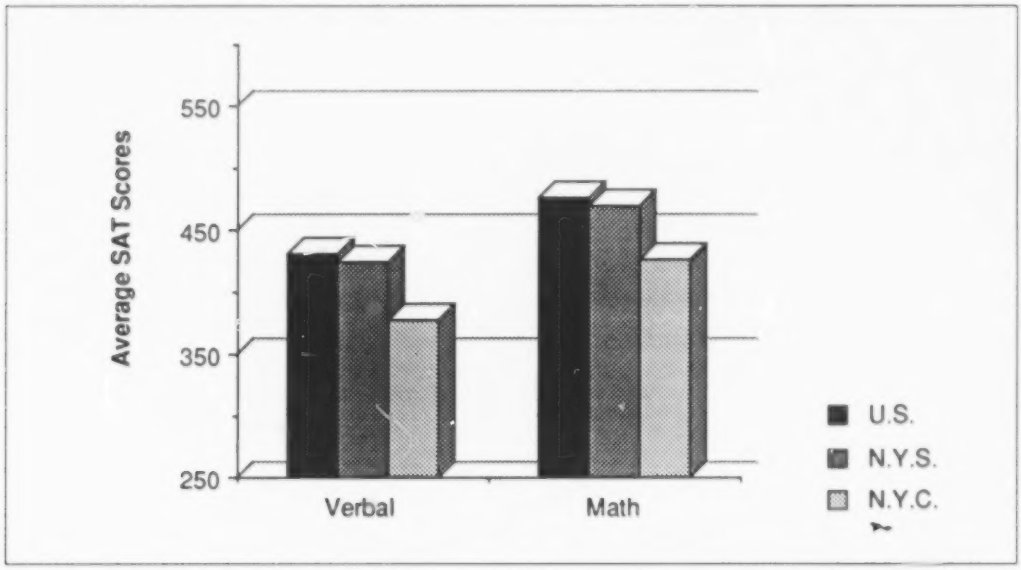
[5] Ibid., p. 363.

[6] National Center for Educational Statistics, *Digest of Educational Statistics,1988*, (Washington, D.C.: Department of Education, 1988).

FIGURE 5
Average SAT scores - New York City, New York State, U.S. - 1987



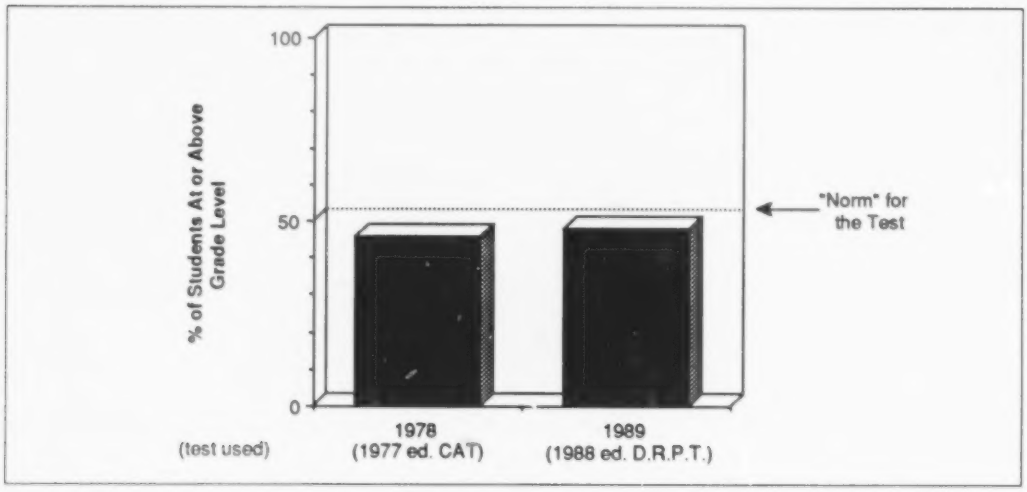
Simply put, "grade level" is the test publisher's estimate of what the national average score on the test for each grade will be. These estimates are based on a sample of students tested prior to publication. Before 1989, the city's reading test used the 1982 national average as a baseline. In 1988, the school system reported that over 66 percent of its students read at or above grade level, continuing an upward trend that had begun in 1979. In 1989, however, the percentage of students reading at or above grade level suddenly dropped. This decline was caused by the fact the 1989 scores were referenced to the much more recent (and apparently tougher) 1988 test estimates of the national average reading score in each grade.

By comparing the reading scores of 1978 to those of 1989, we are able to cut through these technical difficulties to offer a clear estimate of the changes in reading achievement levels of New York City's students. We choose 1978 as the base year because that was the last year prior to 1989 in which the city school system administered a reading test that was only one year old. In 1978, the 1977 version of the California Achievement Test was used; in 1989, the 1988 version of the Degrees of Reading Power Test was administered. The results of these two test administrations for students in the community school districts are compared in Figure 6.

The results are not encouraging. In 1989, 47.8 percent of the students scored at or above grade level in reading, a gain of only 2.3 percentage points over 1978's figure of 45.5 percent. In the last eleven years, the city's students have made only marginal improvements in reading, compared to the national norm.

The national norm is a relative measure of reading achievement; it measures students' abilities compared to their peers nationwide. There are alternative measure of reading achievement that compare student performance to a fixed standard. New York State employs such a standardized measure in grades 3 and 6. The State Education Department surveys the schoolbooks used in each grade to assess the level of reading ability they

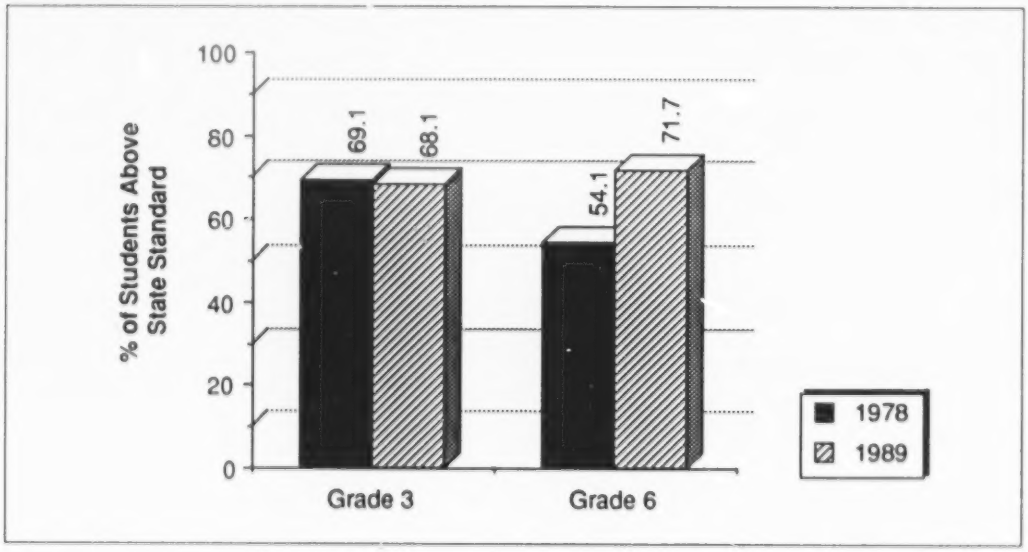
FIGURE 6
Community School District Students Scoring At or Above Grade Level
1978 and 1989



require ' sing that level of reading achievement as a benchmark, the state then tests students to see what percentage perform at grade level. These data are presented in Figure 7.

The results are mixed. The reading achievement of New York City's third graders has declined by one percentage point since 1978, while the performance of sixth graders has climbed over 15 percentage points. (Even so, the city's sixth graders still score well below the average for New York State students.)

FIGURE 7
New York City Students Scoring Above State Reading Standard
1978 and 1989



New York City students' mathematics achievement is more difficult to assess than their reading achievement. The school system has administered a citywide mathematics test only since 1982 and has changed tests during that period. The 1989 test used the 1985 estimate of the national norm as a baseline. In that test administration, 56.2 percent of the students scored above grade level. The scores, however, are much lower for students in the upper grades. Only 41 percent of all seventh and eighth graders scored above grade level (compared to 60 percent of the second graders). This sudden decline in mathematics achievement in the upper grades may indicate that students are having difficulties with the high school-level mathematics so crucial to entry level employment in the city.

For many years, employers in the city expressed doubts about the glowing test scores New York City had been publishing up to 1979. The current slight increases in test results may also be overly optimistic. According to the New York City Partnership, firms in the financial services industry report a sharp decline in the quality of the labor force in the city.[7] Human resources executives report that firms have had to expand their in-house training to cover basic literacy and mathematics skills.The Partnership's report on the future of the financial services industry foresees a shortage of qualified workers for the clerical positions that form the bulk of positions in this industry, impairing New York's ability to retain firms and compete with other locations for new employment.

The need for improvement in the school system is clear. The marginal improvement in student achievement over the last ten years has been overshadowed by the structural changes in the city's economy. While it it true that more students are staying in school than in the recent past, it is also true that successful completion of high school has become a minimum prerequisite for entry into the work force and only 55 percent of the system's students earn that basic credential.

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[7] The New York City Partnership, Meeting The Challenge, a Report by the Financial Services Task Force of the New York City Partnership (New York: June 1989).

II. PROPOSALS FOR REFORM: Recipes for Failure

The problems of New York City's public school system are widely acknowledged, but the solutions are the subject of hot debate. Throughout the eighties, two ideas dominated the education debate; reformers alternated between calling for increased funding and calling for new, improved leadership from the office of the Chancellor. Will either of these solutions improve schools? The most likely answer, drawn from our reform experience over the last two decades, is: Probably not, unless the new Chancellor pursues a radically new path.

Will More Funding Improve Schools?

The proposal favored by the education bureaucracy is to give existing schools more financial resources. These advocates say the equation is simple: more money equals better schools. They do make some legitimate claims for additional funding. The reconstruction of the city's aging school buildings, for example, will require a significant boost in funding. But recent experience strongly suggests that, absent fundamental structural reform, the system lacks the ability to allocate its resources effectively; money alone will not solve the education crisis.

Over the last seven years, the school system's per pupil spending increased by 71 percent, mostly the result of a huge influx of funding from New York State. It remains true, however, that the city receives less state aid per child than other districts in New York State. As a result, New York City's spending per pupil is below the average for New York State, although well above the national average.

Currently, the New York City Board of Education is operating with a budget of over $5.2 billion. New York City now spends over $5,500 per pupil compared to $3,200 in 1980, a 71 percent increase. During the same years, the national average for spending on education climbed 63 percent, from $2,300 to $3,750 per student. Spending in New York State rose by 74 percent, from $3,462 to $6,011 per pupil. These data are displayed in Figure 8. This increase in spending was largely underwritten by New York State, which doubled its contribution to New York City's schools since 1980. Figure 9 displays the city school system's source of funds for the years 1982-88.

FIGURE 8
Per Pupil Expenditures - New York City, New York State, and U.S. - 1980 and 1987

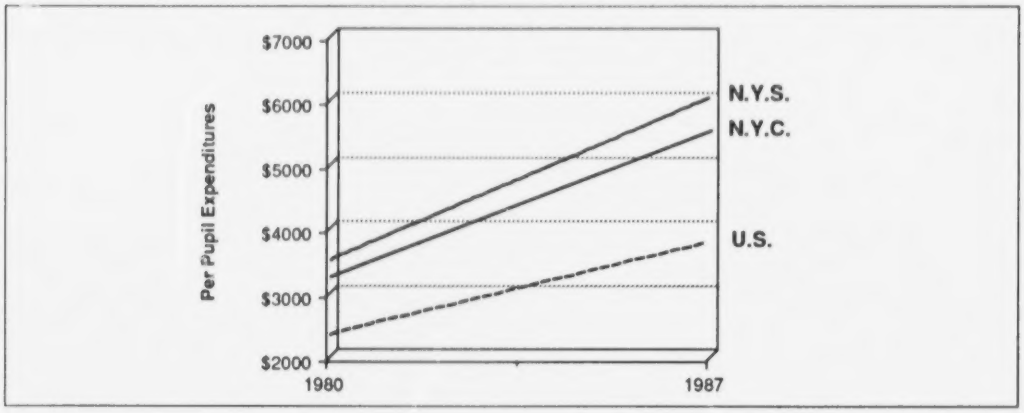
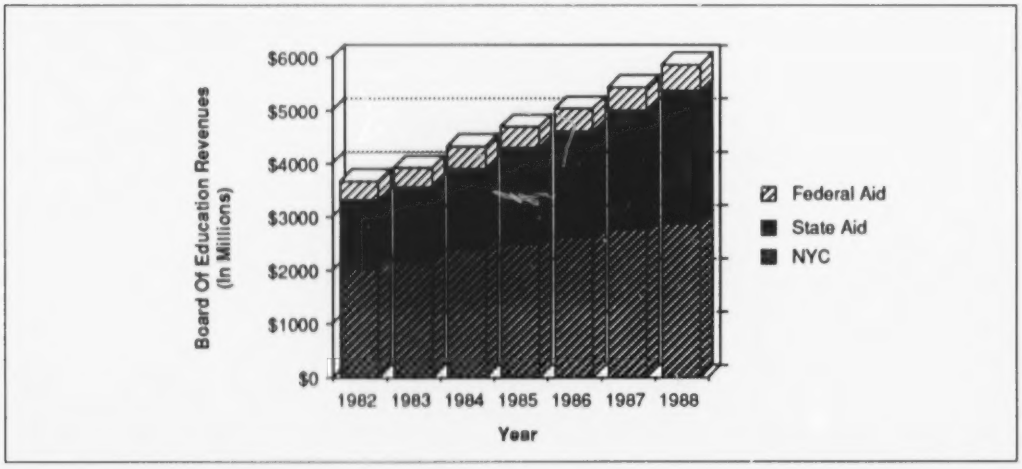


FIGURE 9
New York City Board of Education Annual Revenues



Even after these generous increases in state aid, the Board of Education continues to claim New York City is shortchanged by the state. The claim is not entirely without merit. According to the latest figures, New York City educates 36 percent of the state's public school students and over 60 percent of the state's educationally and economically disadvantaged students, yet it only receives 32.6 percent of all state education aid. The Board of Education contends that this disparity creates a shortfall of over $250 million in the school budget.

But the school system's call for additional funding are undercut by the school system's use of its existing resources. According to the latest available figures, the school system has over 109,000 employees, only 62,000 of which are teachers. For every four teachers, the school system employs three staffers in non-teaching positions. The school system employs over 6,600 administrators in addition to principals and assistant principals. Figure 10 displays data on the deployment of staff within the school system.

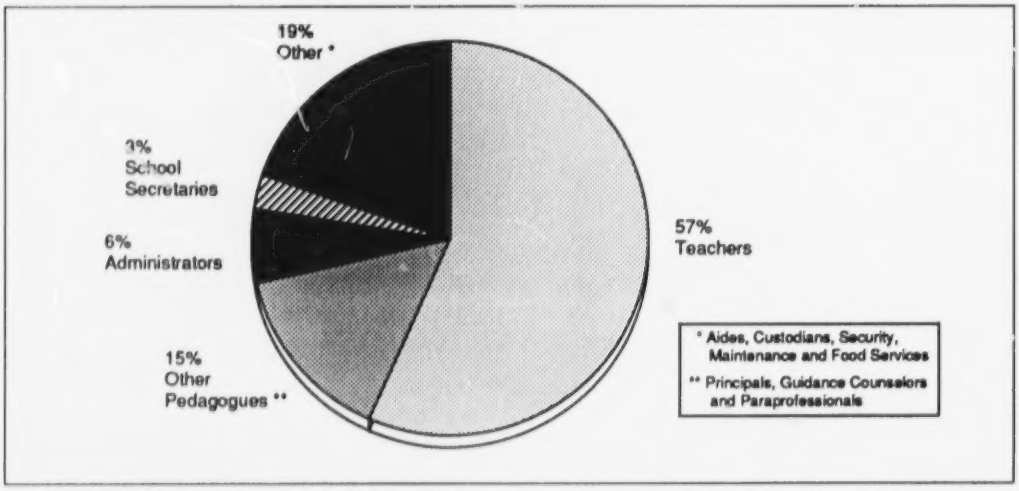
During the eighties, the New York City school budget expanded by over 70 percent, while student achievement remained stagnant. Test scores rose only slightly. More students are staying in school longer (producing a statistical decline in the dropout rate), but they are not necessarily receiving high school diplomas: The school completion rate remains at about 55 percent and seems destined to stay at that level at least through the early 1990s.

The record of the last decade is clear: An unprecedented buildup of spending produced only marginal improvement in student achievement. Simply increasing the existing school system's resources will not produce the drastic educational improvement the city's changing economy requires.

Is Changing the Leadership of the System Enough?

Since 1978, reformers have focused their efforts on the position of Chancellor. Fresh statistics documenting the decline of New York City public schools produced fresh calls for a new Chancellor. The hope still lives on that merely changing leadership will generate the improvement our school children deserve.

FIGURE 10
Staff of the New York City Public School System - 1986 to 1987
Total Employment = 109,144



However, as New York City's experience over the last two decades suggest, that hope has been sadly misplaced. Six men have served as Schools Chancellor over the last twenty years. Of the six most recent Chancellors, one came to the system from a university and public service background, one came from a Community School District, two were career educators from outside the city, and two of these Chancellors were insiders who rose through the system's ranks. Only one of the five Chancellors before Richard Green left under his own volition. Most left because the public perceived the schools were bad and not getting better; one left as a result of allegations of impropriety in his personal finances. This is not an impressive track record for those who seek reform through changes in leadership.

Advocates of new leadership attribute the failures of past Chancellors to a variety of factors. Some say the Chancellor's indirect authority over community school districts is a major weakness of the position, although the high schools (which are directly controlled by the Chancellor) have improved less than the districts. Others criticize the Board of Education's structure, which they say makes the Chancellor captive to six different elected officials in the city. (Each of the five borough presidents appoints one Board Member and the Mayor appoints two.)

The actual number of masters the Chancellor serves goes far beyond the six individuals who make appointments to the Board. In recent years, some Board members have been closely allied with the unions representing the system's employees, while others have been clearly identified with particular ethnic groups.

One analyst, reflecting on a term of service with a reform-minded chancellor, made this observation:

> *"As a result of political conflict, whatever the source, the urban school system is the object of numerous cross-pressures. In New York City, this situation creates an unenviable predicament for the Chancellor. It also defines a major component of his job. In a highly charged political environment, there are few significant policy options that*

will not incur the wrath of some public official, governmental institution, or private group. . . . Political decision-making usually involves selection from among a panoply of undesirable choices, all of which generate some level of resistance." [8]

This observation was made prior to the recent spending buildup. But new resources have not changed the way the school system makes decisions. Even in a period of revenue expansion, the political crosscurrents facing the Chancellor often lead him to try to satisfy all interests rather than impose trade-offs between competing demands. A recent Chancellor, Frank Macchiarola, offers the following comment on the budgetary practices of one of his successors:

"At present, the Board of Education actually has no budget priorities. By having none—by not deciding what is most important—everything remains unimportant. This creates an open invitation for others to shape priorities.
. . . The Board's budget looks like a decorated Christmas tree. One notices the Brooklyn borough president's sports program, the comptroller's mathematics program, an assembly member's dropout prevention program, the City Council's maintenance program, and so on. Although some of these programs have merit, they fail to reflect priorities set by the leadership of the school system." [9]

Macchiarola's analysis of the board's budget is corroborated by a simple look at the system's allocation of funds to the 32 community school districts. The Board allocated $1.8 billion to the districts for the 1988-89 school year, an average of $56.3 million per district. Seventy-one percent of this money, or $39.7 million per district, was allocated in a lump sum for general instructional and administrative costs. An additional 13 percent, or $7.1 million per district, was federal Chapter One and state PCEN funding earmarked for remedial education. The remaining 16 percent, or $9.5 million per district, was allocated for 26 *different programs.*

All of these programs reflected the priorities of the central board and the constituencies it serves: the city and state's political leadership. Each of the 26 programs placed restrictions on the districts' use of these funds. The board's budget process does not allow individual districts to express their own budget priorities or make budget requests.

These two observations, one from a time of budget retrenchment, the other during a period of budgetary largesse, illustrate a basic weakness in the attempt to generate reform from new leadership of the existing school system. The Chancellor, any Chancellor, spends his time and efforts responding to the demands of the representatives of various entrenched interest groups.

In the words of one observer:

"Prior to decentralization, critics of the central administration consistently described it as a closed system that was not responsive to the wants and needs of its clientele because it was not responsive to the demands from the external environment. Now that diagnosis is only partially true. The bureaucracy at Livingston Street is indeed an open

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[8] Joseph P. Viteritti, *Across the River: Politics and Education in the City.* (New York: Holmes and Meier, 1983), p. 316.

[9] Frank J. Macchiarola in *New York Unbound: The City and the Politics of the Future*, Peter Salins, ed., (New York: Basil Blackwell, 1988).

system, susceptible to the demands of a wide variety of outside institutions and groups. The problem is that the outside actors who are most successful at manipulating the system are not by and large representative of the service clientele who rely on the schools. Implementing change under these conditions is a rather precarious and paradoxical process. It must defy political reality. It involves attempting to make what is basically a highly political institution responsive to the needs of a population that does not possess the fundamental ingredients for political power." [10]

These political pressures usually succeed in skewing any Chancellor's educational agenda. A Chancellor must modify his program in order to satisfy the individuals and groups whose support is necessary to secure funding for his initiatives. The current decision-making process responds to almost every interest group except the most important one: the parents and children who are the school system's clients.

In order to transform itself, the current system would have to: forge a consensus on what is the best program for over 900,000 different students, choose a Chancellor capable of translating that consensus into a plan of action, and then stand aside and let the Chancellor do his or her job. For over two decades, the city's leadership, unable to build a consensus, has instead looked to the Chancellor to perform this essentially political task.

If Chancellor Fernandez's new school-based management program is to work, he must fend off the centralizing tendencies of the city's political environment, in order to give schools the time and the autonomy to devise their own solutions to their own problems. He must devote his energies to shifting the focus of the education debate in New York City from 110 Livingston Street to the city's 900 schools.

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[10] Viteritti, op. cit., p. 322.

III. WHY CHOICE WORKS:
The Rationale for Choice as the Preferred Reform Initiative

The proposal to make public school choice the conceptual framework for education reform in New York City is grounded in the following propositions:

1. The current organization and structure of the school system has failed, over a period of many years, to attain its most basic goals.

2. School improvement is attainable; all children can learn.

3. There is no compelling reason to give a failing institution, the New York City public school system, control over the school placement of individual students. There is a strong rationale, grounded in the concept of equal opportunity, to grant parents the right to choose the school best suited to their children's needs.

4. Public school choice combines parental choice of public schools with school-based management; it is the most effective vehicle for institutionalizing school-based management.

5. The best available evidence indicates parental choice can and does work to improve the education of all children, especially low income and minority students and that school autonomy is the key to meaningful school reform.

School Improvement Is Attainable

Despite the depressing performance of New York City public schools, school improvement is a realistic goal. Prior to the eighties, educators generally believed a student's academic achievement was inexorably linked to his status outside of school: Affluent students learn, while (economically) poor students languish, in school. However, in recent years many studies have shown that the link between poverty and school failure can be broken. Research shows that a good school can overcome the deficits that students bring to it. One national study of over 25,000 secondary school students found that, *"All other things being equal, attending an effectively organized high school for four years is worth at least a full year of additional achievement over attendance at an ineffectively organized school."* [11]

The New York City school system has not been unaware of this research. Since the late seventies, New York City educators have made several attempts to identify effective schools and replicate their programs. Effective schools do exist in New York City—there are many examples of schools (such as East Harlem's District 4 and District 13 in Bedford-Stuyvesant) which perform at much higher levels than other schools with similar a demographic profile—but attempts to replicate their successes by imposing uniform "effective practices" on schools have generally failed.

Is There a Rationale for Retaining Geographic Zoning ?

While the reason for a system of public education is clear, the rationale for denying parents the right to choose their child's public school is less so. We support a system of

[11] John Chubb, "Why the Current Wave of School Reform Will Fail," *The Public Interest*, (Winter 1988), p. 36.

taxpayer-funded public schools because we believe the quality of a child's education should not depend upon his or her parents' ability to pay. However, funnelling children into particular public schools based upon their parents' address does not necessarily further the democratic values underlying a public school system.

American schools adopted geographic zoning out of two mistaken beliefs: first, that there is one educational program best for all students, and second, that we can standardize curriculum and teaching methods insures that all students receive the same educational "package." If that faith were justified, the only differences in students' school achievement would be the result of differences in their own ability and dedication. There would be no good or bad schools, only good or bad students.

This vision of public schooling probably never matched reality. It is certainly not applicable today. We know that schools make a difference in the lives of their students. We know there are good public schools and bad public schools. We know these things in three ways: Our common sense tells us it is true. A great body of research tells us that it is true, and the ordinary behavior of people tells us it is true. Parents make many choices about their children's education. People who can afford it send their children to private school. Other families pay a premium to move to an area with good schools. The only people denied choice by the current system are those who cannot afford $8,000 a year tuition, or a house in the suburbs.

The most appalling feature of the current system, and of any system which denies parents choice, is that it forces students to attend failing schools while its leaders search for a cure for school failure. In 1985, the State Education Commissioner identified 393 New York City schools as being among the worst in the state. In 1988, after three full years in which to implement reforms, over 70 percent of these schools were still failing. Yet these schools still consume their automatic quota of students; children are still required to attend classes in which they become, in effect, guinea pigs in the school system's unsuccessful experiments to discover ways to improve educational quality. In New York City, the strongest factor influencing a child's education may be his or her parents' address. Equal educational opportunity remains only a slogan and a distant dream.

Nor has geographic zoning furthered the school system's non-academic goals. Ideally, for example, public education offers students an opportunity to interact with children of other races and ethnic groups. But experience suggests geographic zoning tends to segregate, rather than integrate, public schools. In New York City, there are some 130,000 white students in elementary or middle school. Of these, 75 percent are clustered in just ten of the city's 32 community school districts. Within districts, whites also tend to cluster within particular schools. In one Bronx district, for example, over 80 percent of white students can be found in just three of the district's 26 schools. Nor are whites the only ethnic group that clusters. Asians make up the fastest growing minority in the city's schools. Of the over 27,000 elementary and middle school Asian students in the system, some 70 percent can be found in only eight of the city's 32 districts. In New York City, geographic zoning of schools tends to reflect and reinforce the racial isolation of many city neighborhoods.

The only other argument for geographic zoning is administrative efficiency. In rural districts, where the cost of transporting students to their chosen schools is very high, geographic zoning may be cost effective. In New York City, which has a high population density, over a thousand different schools, and an extensive public transportation system, this rationale does not apply.

The performance of the existing school system, which neither improves its failing schools or achieves its other goals, provides no justification for geographic zoning. Maintaining an outmoded policy only denies parents their basic right to seek the best possible education for their children.

As early as 1925, the U.S. Supreme Court acknowledged the preeminence of parents' right to choose their children's education:

> *"The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations."* [12]

While the Court, in this case, was upholding the rights of parents to choose private schools, the principle is applicable to public school choice today. Giving parents the right to choose their child's public school is closely linked to larger democratic ideals: preserving the rights of the individual and extending civil rights to society's least powerful members.

Choice Is Consistent with Effective School Practices

The New York City public school system was among the first in America to try to put research on effective schools into practice. As early as 1978 the system had launched ambitious ventures such as the "School Improvement Project" which attempted to put school practices that the research certified as effective into place in local schools.

The project uncovered these "five factors" in effective schools:

- Strong Instructional Leadership.
- A Safe and Orderly Climate.
- School-Wide Emphasis on Basic Skills.
- High Teacher Expectations for Student Achievement.
- Continuous Assessment of Pupil Progress. [13]

In its early years, the project enjoyed some successes. When adopted voluntarily by schools with enthusiastic principals, the process yielded results. But that project and others like it failed when reformers tried to impose "effective practices" on hundreds of indifferent schools. Once the project moved from a series of small-scale voluntary experiments into a large scale, mandatory program, results declined.

Again and again, the central bureaucracy has failed in its attempts to mandate good schools into being. This failure should come as no surprise. Current research verifies what some school professionals have been saying for many years: Reform must originate at the school level; it cannot be imposed from above. That is why choice succeeds where other reforms fail. To improve schools, the Board of Education cannot simply create new regulations; it must create new incentives for school professionals to design effective

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[12] *Pierce v. The Society of Sisters*, 1925.

[13] U.S. Department of Education, *What Works: Research About Teaching and Learning*, (Washington, D.C.: 1987), p. 57.

programs, and then give those professionals the freedom to pursue their vision. As a recent nationwide study of secondary schools concluded:

> *"Those organizational qualities that we consider to be essential ingredients of an effective school—such things as academically focused objectives, pedagogically strong principals, relatively autonomous teachers, and collegial staff relations—do not flourish without the willingness of superintendents, school boards, and other outside authorities to delegate meaningful control over school policy, personnel, and practice to the school itself. Efforts to improve the performance of schools without changing the way they are organized or the controls they respond to will therefore probably meet with no more than modest success; they are even more likely to be undone."* [14]

Another noted researcher offers the following observation on the relationship between effective schooling and parental choice:

> *"For nearly two decades educational researchers have tried to trace the source of differences between effective schools and those that are less so. The feature most identified as the key is school climate, which many now take to be the central determinant of school success. It appears that ultimately what is at root are such intangibles as how people in a school interact with one another and the fundamental beliefs and commitments underlying their behavior. Schools of choice seem to enjoy pronounced advantages in this regard."* [15]

Parental choice reinforces the school autonomy that research indicates is the key to improving education. Replacing accountability to a central bureaucracy with accountability to parents frees the schools to make educationally sound decisions for their students. Responsiveness to parents, rather than bureaucrats, becomes the goal of schools.

A second strand of recent research also points to public school choice as an effective tool for school improvement. A U.S. Department of Education report described effective schools in the following way:

> *"Effective schools are places where principals, teachers, students, and parents agree on the goals, methods, and content of schooling. They are united in recognizing the importance of a coherent curriculum, public recognition for students who succeed, promoting a sense of school pride, and protecting school time for learning."* [16]

Simply put, effective schools have a sense of mission. In effective schools, teachers, principals, parents, and students all understand and agree with the school's goals and methods. The New York City public school system, as currently organized, contains no mechanism for allowing parents who share a common vision of education to join with like-minded school professionals to create a school that shares their goals. Under the policy of geographic zoning, the educational preferences of parents do not matter.

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[14] John Chubb, op. cit., p. 29.

[15] Mary Ann Raywid, "The Mounting Case For Schools Of Choice" in *Public Schools By Choice*, Joe Nathan, ed. (St. Paul, Minnesota: The Institute for Learning and Teaching, 1989), p. 25.

[16] U.S. Department of Education, *What Works*, op. cit., p. 57.

The underlying assumption of our current school system is that all parents have the same vision of education, which the central administration understands, and that all school staff can be forced to share. Choice, on the other hand, recognizes that parents, teachers, and children have diverse talents and interests. Choice allows teachers to create, and parents to seek out, schools tailored to children's needs. Choice does not force all teachers and students into the same, one-size-fits-all educational mold. It recognizes, as the current system and other reform proposals do not, that no solution is best for all children.

A noted educational researcher offers the following observation:

> *"Considerable contemporary research on private schools and on effective public schools suggests that the intervening variable is value and mission consensus and the social cohesion which ensues. Since public schools of choice, as well as private schools, are likely to have a distinctive, identifiable focus, they attract a group that is like-minded in some educationally significant way. To the extent that teachers, parents, and students are agreed upon a mission, the school can represent a single focus which generates commitment and enables the school to become a community. This in turn makes it more effective."*[17]

Properly designed, public school choice improves schools by offering school professionals the opportunities and incentives to adopt effective practices voluntarily. Effective practices cannot be imposed from above. But under choice, educators at mediocre schools would either voluntarily rethink their educational approach and develop more effective practices, or lose clientele and go out of business. Public school choice embodies and institutionalizes the philosophy that all children can learn, an important tenet of the effective schools movement.

Choice also makes it easier for schools to maintain an orderly climate for learning. While schooling would remain compulsory, a child's presence at a particular school would be voluntary. Parents and children are more likely to develop a sense of ownership in schools they have chosen, decreasing the likelihood that students will misbehave. The student behavior policies adopted by the school would be part of the package parents accept in choosing a school for their child. Parents who believe in strict discipline and rigid codes of behavior for students may seek those types of schools for their children; parents who prefer a more open environment would select other schools. No child would be forced to attend a school with disciplinary practices of which his parents disapprove; parents, in turn, will be more likely to reinforce and support the school's attempts to maintain discipline.

The Data on Choice

Our conclusion that public school choice improves schools is based on more than just theory. The most concrete evidence of the effect of choice in action can be found in New York City's own Community School District Four in East Harlem. District Four began developing alternative schools in 1974. In 1982, it adopted a district-wide program of parental choice at the junior high school level. The success of District Four's choice program has been documented in a number of reports including the Center for Educational Innovation's Policy Paper Number 1, *Model For Choice*. That report documented District Four's rapid gains in a number of academic areas since it moved to a choice system for

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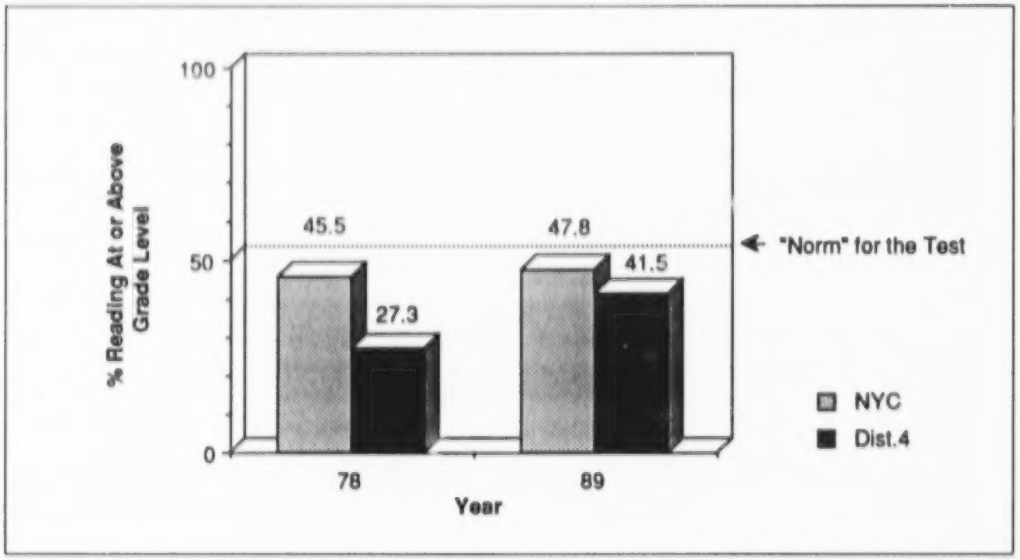
[17] Mary Ann Raywid, op. cit., p. 17.

junior high school students. In particular, District Four students have made remarkable improvements in reading achievement, and its non-English speaking students experienced an accelerated rate of English language acquisition. Perhaps the most telling indicator of school improvement is the large increase in the number of District Four students accepted at the city's elite high schools.

Recently available data from the 1989 New York City Reading Test provides continuing evidence of the District's success with choice. Between 1978 (the last year in which the city used an up-to-date reading test) and 1989, District Four's reading scores increased by over 14 percentage points, compared to an increase of a little more than 2 percent for the city as a whole. Since 1978, District Four has made the second highest improvement of all of the city's 32 community school districts. (District 13 in Bedford-Stuyvesant improved by 14.5 percentage points compared to 14.2 percentage points for District Four.) A comparison of the trends in reading scores for District Four and the city as a whole is presented in Figure 11.

Studies of other choice programs have also found they raise the academic achievement of students. Studies of magnet schools in New York State, Los Angeles and Montgomery County, Maryland, for example, reported elevated reading and mathematics achievement in these schools of choice.[18] The aim of our proposal is to extend the benefits of choice from a select few at magnet schools to all the students in the system.

FIGURE 11
Reading Achievement - District 4 vs. New York City
1978 Compared to 1989



[18] Ibid., p. 27.

IV. THE CHOICE PLAN:
Instituting School Choice in New York City

The school system that the city's economy needs is radically different from the one that currently exists. At its most basic level, choice is an alternative to bureaucracy. Consequently, implementing public school choice in New York City will require some very basic changes in the organization of the schools.

While we offer a long-range plan for a choice-based public school system, we understand that choice need not be implemented on a systemwide basis overnight. The move to allow choice can begin in particular sectors of the school system. The most likely place to start is in the city's high schools, which are under the direct control of the Chancellor. The Chancellor can also offer his support to the grassroots movements toward choice that are already underway in several districts. School choice, for example, has already been introduced in District Four, and at least two additional districts have begun to implement choice policies. If the Chancellor lends his support, other districts will be encouraged to move in the direction of choice.

The School System We Seek

In the long run, we seek a school system in which school-based management is institutionalized through the discipline of choice. Choice should serve as the organizing principle of the entire school system. Schools will be accountable to parents, not to bureaucrats. Schools will be viewed as autonomous organizations, not as agents of the central Board of Education. Educational decisions should be made at the school level, not by the Board. All parents will be allowed to choose the public school that their child will attend.

Autonomy

Schools will be conceived of as places where professional educators who share a common vision of education come together to serve the children of parents who believe in that vision. Principals and teachers should be thought of as professionals and granted the freedom to design innovative and distinctive programs. To the extent that they are able to attract a sufficient clientele while meeting the state's minimum curriculum requirements, they should be granted autonomy from bureaucratic and other external influences.

Accountability

A school choice plan needs to provide incentives for school staffs to undertake the difficult task of examining their current educational program and developing a more effective one. The school's budget allocation must be tied to its enrollment. Both teachers and parents must understand that a school's failure to attract and maintain a clientele will result in reduction in the size of the school and, eventually, school closure.

Our conception of school choice shares a common set of goals with school-based management reforms. Choice strengthens school-based management by undercutting the primary rational for bureaucracy: the need to make schools accountable to a central

authority. By making schools accountable to parents, choice eliminates the rationale for the kind of bureaucratic control that currently has a stranglehold on school professionals. Without choice, school-based management reforms will be in great danger of being undercut by the very bureaucracy they are meant to replace.

Educational Innovation

The choices offered to parents must not be limited to the existing set of schools. The school system will allow professional educators to act as entrepreneurs in developing new and distinctive programs to offer parents. The school staff will consist of people who have chosen to work together because they share a common vision of education. Tenure for principals, which is wholly inconsistent with this vision of schools, will be abolished. Subject to the discipline of choice, school professionals will be granted broad, decision-making authority ranging from the design of education programs, to student behavior codes, class sizes, and other facets of education policy.

In order to foster the widest number of options, the city needs to reexamine its assumption that a building is a school. Parents' choices should not be limited to the large schools that occupy the existing school buildings in the city. One key to District Four's success was its unique "schools-within-schools" program, in which one school building may house multiple, independent schools. Although some large schools may continue to attract a clientele, the Chancellor should enthusiastically embrace the development of smaller, more effective schools that can more easily foster the sense of community vital to any educational endeavor.

No schools will remain as zoned schools. Limiting choice to a few, select "magnet schools" denies the majority of students an excellent education and retains the worst schools as dumping grounds for the most troubled students. Parents would, of course, retain the right to choose their neighborhood school for their child. Schools might include a preference for neighborhood children, especially in the early grades.

Admissions

The extent to which schools would be free to set their own admissions criteria requires further consideration. (Admissions policies will, of course, only be necessary in those schools where applicants outnumber available openings.) Our preference is that schools be able to set their own admissions policies, as unrestricted by regulation as possible. However, what is important is this area is that admissions policies are widely understood and perceived as fair. In any case, the central administration will be responsible for insuring that students are not excluded from particular schools on the basis of ra

The dynamics of the choice system builds in certain safeguards against abuse. Since school funding is based upon actual enrollment, schools cannot afford to deny admissions to students where space is available. Over time, the school system will attain an equilibrium as waiting lists at a particular program signal the system to create additional, similar programs at other schools.

Funding

To improve schools, a choice plan must back up parents' preferences with budgetary dollars. A school's funding will be based upon the number of students who choose to

attend it. However, each child would not necessarily generate the same dollar amount. State and federal remedial funds would follow those students with learning disabilities and/or poor academic performance. In addition, school funding would be adjusted for cost differentials associated with staff seniority, in much the same way that the system now allocates resources among community school districts.

The Role of City and State

There are currently three levels of school governance in the city: the State Board of Regents, the New York City Board of Education, and the community school boards. We propose to streamline this bureaucratic structure, clearly assigning particular oversight function to one of the three levels.

The State Board of Regents (including the State Commissioner of Education and the Department of Education) should be responsible for setting minimum curricular and graduation requirements, licensing school professionals, and chartering schools. These state functions should not be duplicated by the New York City Board of Education as they currently are. The State Commissioner of Education should also have the power to grant schools of choice block waivers from state regulations.

The New York City Board of Education will be responsible for raising funds for the school system through the existing budget process and allocating money directly to the schools based upon student enrollment (adjusted for special needs students). The Board of Education should also be responsible for explicitly stating the percentage of the overall school budget held aside for administrative overhead.

The duties of the city's education bureaucracy should be limited to the following: disseminating information on school performance; intervening in cases of "market failure," such as when a student fails to find a place in any school; monitoring admissions policies for discriminatory practice; providing administrative support to schools in areas such as payroll administration and data processing. The bureaucracy will stay out of the business of providing educational services or deciding educational policy. Decisions regarding program design will be made at the level of the individual school as long as they meet the state's curriculum requirements.

Recent scandals have focused attention on community school boards. The issue of community school board reform is somewhat tangential to our school choice proposal. Community School District Four, for example, has operated schools of choice within the larger structure of the school system for over ten years. At least two other community school districts within the city are moving towards the implementation of choice.

Choice itself can be a powerful accountability tool. If schools were required to compete for their students and their budgets, they could not be held hostage to the demands of unscrupulous board members. By placing control of school budgets in the hands of parents, we eliminate community school boards from the resource allocation process. The only remaining issue is control of school personnel. The power to hire principals and teachers currently rests with community school boards, but, after reports of abuse in several districts, there is now some interest in giving final authority on these matters to the Chancellor.

Our two recommendations regarding community school boards are these: First, reform of community school boards should not enhance the power of the central bureaucracy

at the expense of local schools. Second, choice should not be limited by community school district boundaries. Interdistrict choice would be a powerful check on the abuse of power by either the central bureaucracy or community school boards.

How School Choice Would Work in New York City

Under our proposal, a parent of a school age child would have to apply for that child's admission to any public school within the city. There would be no automatic placement available to the child. Parents might choose the school closest to their home or office, one that was located near the child's grandparent or other care-giver, or one that offered a particular program of interest. The choice would be up to the parent. School admissions policies would be subject to review to insure that they did not discriminate based upon race. The extent to which schools would be free to set their own admissions criteria is a subject that needs to be given careful consideration.

Within the constraints of the marketplace (i.e., as long as a school attracts a clientele), school policy would be set by each school. One school might be organized with open classrooms; another might require students to wear uniforms. One school might emphasize the arts in its curriculum, while another stressed math and science. Of course, all schools would have to meet the state's minimum curriculum requirements, but they would be free to differ in emphasis.

Schools would also set their own policies on the important issues of orderliness and school safety. One school might emphasize its ability to work with troubled youth; another might promulgate strict rules of behavior. Under certain circumstances, schools would be empowered to dismiss students who violate the school's guidelines on behavior. (This aspect of choice would clearly require careful discussion before its adoption.)

Over time, some schools would develop waiting lists, while others would fail to attract enough students to remain in business. These fluctuations in attendance would signal parents' preferences. Under choice, the closing of a school would not be as dramatic an act as it now seems. Before a school closes, it will have experienced enrollment declines and a related reduction in teaching positions. Closure would come at the point at which the school had too few students to justify its overhead expenses, including the support of a principal's position. The staff of a closed school would retain their systemwide tenure rights and be free to seek positions in other schools. The building space assigned to a close school would be turned over to a more successful program.

When a school becomes oversubscribed, the most appropriate response would be to assign it additional space. In cases where demand is great enough, successful programs may be replicated at other sites by giving staff members of the successful school the opportunity to start up a second school and recruit students and additional faculty to it. The process of apportioning school building space, replicating successful programs and closing unsuccessful ones will require administrative intervention.

* * *

Under a system of public school choice, the power currently concentrated in school boards and the bureaucracy would devolve to parents and school professionals. Both parties would see their authority enhanced. Parents would have the power to choose one school over another, influencing school policy. Schools would enjoy enhanced autonomy and authority, regaining control of their own educational and disciplinary policies.

Section V. An Agenda for Reform

Recommendations to the Chancellor for Immediate Action

1. New York City's high schools are directly controlled by the Chancellor. All high schools in the city should be reconstituted as schools of choice. In the short run, the Chancellor can:

   - Redesign the zoned high schools through a decentralized, school-based management process so that every high school in the city has a distinctive theme.
   - Reduce the size of the city's high schools by housing multiple schools in a single building.
   - Reform the high school admissions process, so that parents and students are given sufficient information about the choices open to them.

2. A number of Community School Boards and Community Superintendents have already instituted choice within their districts. These efforts have not been supported and have often been hindered by the central board and administration. The alternative schools in District Four, for example, have never been sanctioned by the system. The Chancellor should support these efforts by:

   - Recognizing alternative organizations as official schools for the purposes of the system's data reporting and resource allocation procedures.
   - Exempting schools of choice from bureaucratic regulation of the organization of their programs. The fact that these schools are accountable to parents should free them from accountability to bureaucrats.

Long-Term Policy Agenda

1. Parents and Students

   A. All city residents between the ages of 5 and 21 would be guaranteed a place in a New York City public school.
   B. Parents would be required to apply for their child's placement in any public school within New York City.
   C. Although individual schools would be free to adopt sibling policies to ensure admission to the younger brothers and sisters of their students, no automatic placement would be available for students based upon the location of their home.
   D. The current transportation policies of the Board of Education would remain in effect. Depending on their age, students residing more than a certain distance from their school would receive either free school bus transportation or a reduced fare card for the subway.

2. School Professionals

   A. School principals would be responsible for articulating the educational philosophy of a school and recruiting a faculty who share that vision of education. Principals would not have tenure.

B. Teachers would be given the opportunity to develop school programs and to participate in decision-making at the school level.
C. Each school's faculty would be free to decide how best to use the resources "earned" by their school. The number of non-teaching professionals, such as assistant principals and guidance counsellors, would be determined at the school level. School faculties would also make policy decisions including the size of classes and the programmatic emphasis of the school. School faculties would also determine rules for student behavior in their schools.

3. Schools

A. Schools will be funded solely on the basis of their enrollment. The amount of funding associated with each student would vary based upon their eligibility for federal or state remedial education and their handicapping condition, if any.
B. Schools that fail to attract enough students to cover their overhead expenses will be closed. The professionals in these schools will be free to seek employment in other public schools in New York City.
C. Schools that attract more students than they can handle would be expanded or replicated.
D. The array of schools in the system would not be limited to the organizations that currently existing in the system; the organization of schools would not be determined by building size, since most school buildings in the city can reasonably house multiple schools.
E. Schools would be free to dismiss students who failed to follow the school's rules of behavior. These students would then be free to apply for admission to another school. Except for those who commit extreme acts of violence, all students would be guaranteed a place in some school.

4. School Administration

A. The duties of the central bureaucracy of the school system would be limited to the following:
   - *Supporting* program development by responding to parental preferences, including closing underutilized schools, approving new schools and assigning building space to schools;
   - *Providing* parents with sufficient information about the public school options available to them;
   - *Regulating* school admissions policies to guard against racial discrimination;
   - *Intervening* in cases of "market failure," such as when a student fails to find a place in a school;
   - *Providing* business support services, pupil transportation, and maintenance of the physical plants.

B. The duties of the State Education Department will be to: certify teachers and principals; license schools; and maintain minimum curriculum and diploma standards. These state functions should not be duplicated by the city's central bureaucracy.

5. Community School Boards

If the system retains the Community School Board Structure, choice will not be limited by district boundaries.

Education Policy Papers

No. 1 MODEL FOR CHOICE:
A Report on Manhattan's District 4

No. 2 THE RIGHT TO CHOOSE:
Public School Choice and the Future of American Education

No. 3 RESTRUCTURING NEW YORK CITY'S PUBLIC SCHOOLS:
The Case for Public School Choice

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